

## Message Text

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PAGE 01 CANBER 06197 052229Z

ACTION EA-12

INFO OCT-01 ISO-00 L-03 COME-00 TRSE-00 EB-08 /024 W

-----108184 052237Z /75

R 050521Z SEP 77

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 1251

LIMITED OFFICIAL USE CANBERRA 6197

EO 11652: NA

TAGS: EGEN

SUBJ: DILLINGHAM CLAIM

REF: STATE 209884

1. UPON MY RETURN FROM PAYING MY OFFICIAL CALLS IN QUEENSLAND, I SOUGHT AN AUDIENCE WITH DEPUTY PRIME MINISTER ANTHONY TO TAKE UP AGAIN THE DILLINGHAM MATTER. THE DEPUTY PRIME MINISTER RECEIVED ME SEPTEMBER 5.

2. MY PRESENTATION WAS IN LOW KEY, AND EMPHASIZED THAT THE TAKING FOR ENVIRONMENTAL REASONS BY THE AUSTRALIAN GOVERNMENT OF DILLINGHAM'S RIGHT TO EXPORT WAS WELL WITHIN THAT GOVERNMENT'S PREROGATIVES; THAT I WISHED ONLY TO ASSURE THAT THE AUSTRALIAN GOVERNMENT GAVE FULL CONSIDERATION TO ALL FACETS OF THE CASE WHEN REACHING SETTLEMENT FIGURE.

3. MINISTER ANTHONY OPENED BY NOTING THAT THE TAKING BY THE US GOVERNMENT OF RIGHTS UNDER SIMILAR ENVIRONMENTAL CONSIDERATIONS WAS NOT UNKNOWN. HE ADDED THAT WHILE HE FOUND THIS CASE COMPLEX ONE AND AN EVENT WHICH HAD CAUSED HIM PERSONALLY CONSIDERABLE TROUBLE, HE WAS HAVING DIFFICULTIES IN ESTABLISHING THAT THERE HAD BEEN FIRM CONTRACTS THROUGHOUT 1976-77 AUTHORIZING DILLINGHAM TO PRODUCE ORES, WHICH WOULD BE THE BASIS ON WHICH FEDERAL EXPORT LICENSES WOULD BE

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GRANTED. HE HAD REQUESTED THE ATTORNEY GENERAL'S DEPARTMENT TO INVESTIGATE THE EXISTENCE OF SUCH CONTRACTS, BUT THAT DEPARTMENT HAD TO DATE BEEN UNSUCCESSFUL IN UNCOVERING THE NECESSARY FIRM CONTRACTS FROM THE SUBSIDIARIES INVOLVED.

4. I PUT MUCH EMPHASIS ON THE CAPITAL INVESTMENT MADE BY DILLINGHAM ON THE STRENGTH OF A LEASE FROM QUEENSLAND AND

I BELIEVE ON AT LEAST TACIT IF NOT ACUTAL APPROVAL OF THE  
FEDERAL GOVERNMENT. MR. ANTHONY GIVES LITTLE WEIGHT TO THE  
STATE LEASE AND I THOUGHT STATED STRONGLY THAT THE LEASE  
HAD TO BE SUBORDINATE TO THE ENVIRONMENTAL CONSIDERATIONS  
WHICH ARE THE PROVINCE OF THE FEDERAL GOVERNMENT.

5. ASKED TO EXPLAIN THE INCLUSION OF AN A\$2.8 MILLION EX  
GRATIA PAYMENT IN THE RECENT AUSTRALIAN FEDERAL BUDGET TO  
DILLINGHAM AND OTHERS, MINISTER ANTHONY SAD "IT WAS CON-  
FUSING", AND THAT THE AMOUNT DID NOT REPRESENT NECESSARILY  
TOTAL PAYMENTS, BUT THAT SOME FIRSTLINE CONTRACTERS HAD  
ALREADY RECEIVED COMPENSATION. (FROM OTHER GOVERNMENT  
SOURCES WE ARE TOLD THAT THE AMOUNT WAS PULLED OUT OF THE  
AIR BY FINANCE MINISTRY OFFICIALS WITHOUT CONSULTATION WITH  
MINISTER ANTHONY'S DEPARTMENT AND REPRESENTS ONLY AN IN-  
TENTION TO PAY SOMETHING).  
ALSTON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPORTS, CLAIMS, CONTRACTS  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
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**Errors:** N/A  
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**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Reference:** 77 STATE 209884  
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**Review Withdrawn Fields:** n/a  
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**Subject:** DILLINGHAM CLAIM  
**TAGS:** EGEN, AS, (DILLINGHAM)  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009